PROGRESS REPORT: A NEW PATH FORWARD



Progress Report on the Action Plan for a Sustainable Washington Fostering Long-term Economic, Social, and Environmental Vitality

October 2004 Governor's Sustainable Washington Advisory Panel







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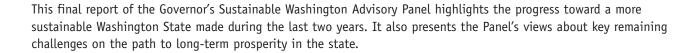
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Washington Is Working toward Sustainability



About the Panel

Governor Gary Locke established the Sustainable Washington Advisory Panel in September 2002, challenging its members to develop, recommend, and promote actions to enhance the economic, environmental, and social health and vitality of Washington State. The Panel consisted of 23 volunteers reflecting and representing the rich diversity of Washington's people and perspectives, including state legislators from Spokane, Seattle, and Mercer Island; leaders from tribes, local governments, nonprofit groups, and major corporations; and officials from a key port and army base.

With a tight timeline and limited budget, the Panel focused on the most pressing challenges and the ripest opportunities for improvements, honing in on 11 recommended actions summarized in the next section of this progress report. These recommendations formed the heart of the Panel's first report, *A New Path Forward: Action Plan for a Sustainable Washington*, delivered to the Governor in February 2003. Since then, the Panel has worked to raise awareness about its recommendations and to promote action around the state.

Our Track Record

So, how are we doing? Have the Panel's recommendations been implemented? Are we making progress toward a healthier, more sustainable Washington State?

Encouraging and inspiring efforts are underway in virtually every sector and geographic reach of the state to improve economic, environmental, and social wellbeing for current and future generations of Washingtonians. Clearly the Panel's work has made a difference—creating the state's first-ever framework for action to foster sustainability; recommending and pursuing specific priority actions; fostering dialogue and raising awareness; and sowing the seeds of a statewide network for sustainability.

"Companies and governments all over the world are embracing sustainability. The word is fairly new, but the concept is not. What we're talking about is responsibility, trust, and a commitment to a healthy future. The idea of sustainability is to integrate three of our top goals: a vibrant economy, a healthy environment, and strong communities."

—Governor Gary Locke, September 18, 2002

Equally clear, however, is the need for this work—or something like it—to continue. While several of the Panel's recommendations are on their way toward implementation, others have received little if any attention, and none is completed. In addition, the Panel's initial recommendations did not adequately address some key challenges, including the need for statewide strategies to promote sustainable transportation, agriculture, and natural resource management. And many key indicators of economic, community, and ecosystem wellbeing are still pointing in the wrong direction, away from a high quality of life and a healthy Washington. In short, much has been accomplished, but much still remains to be done.

This Progress Report

The next section of this report describes the status of the Panel's 11 recommendations, and the subsequent section highlights other progress toward sustainability in Washington State, drawing examples from business, labor, government, academia, the nonprofit sector, and the media. The last section presents the Panel's thoughts on remaining opportunities and next steps, based on its own deliberations and observations, and on feedback from participants in public forums held in Bellingham, Olympia, Seattle, and Spokane.

Progress on the Panel's Recommendations

The Panel's February 2003 report to the Governor featured 11 recommendations, each identifying specific action steps to promote vibrant communities, strong economies, healthy ecosystems, and a sustainable way of life in Washington State. The following summaries review key progress toward implementing each of those 11 recommendations. The Governor's Panel played a direct and active role in certain initiatives, while in some cases, other individuals or organizations spearheaded the progress.

1

Invest in clean energy technologies as a major economic development opportunity. Good progress to date, but need to build on momentum.

• Washington is poised to become a world leader in clean energy development.

The Northwest's emerging "smart energy" cluster represents over 225 companies selling over \$2 billion annually in



products and services. Recent developments include construction in Washington of several major wind power facilities; creation of a statewide clean energy strategy; investments in energy-efficient public buildings designed to save \$10 million each year; and renewable energy programs at local utilities. More comprehensive policy initiatives, including minimum clean energy generation standards for electricity and fuels, are needed to compete with the many states vying for leadership in clean energy development.

- Alternative fuels and vehicles are becoming less "alternative."

 The state passed tax incentives to encourage renewable biodiesel and ethanol fuels. Four biofuel production projects are underway, and school buses, ferries, and transit are experimenting with biodiesel. The West Coast Diesel Emissions Reductions Collaborative is addressing the most polluting diesel sources. Demand for hybrid vehicles is growing among consumers and government.
- Washington and the governors of 17 other western states adopted a clean energy resolution.

 In June 2004, the Western Governors' Association unanimously agreed to examine ways to generate 30,000 megawatts of clean energy by 2015 and increase energy efficiency 20% by 2020.

2

Create an Institute for Innovation & Sustainable Development.

Initial steps taken; additional time and effort needed to complete the business plan.

- The Panel launched a process to define the purpose, scope, and form of the Institute.
 Primary goals of an institute on innovation and sustainability include articulating an inspiring vision of a fully sustainable Washington; catalyzing and developing methodologies and technologies on a large scale; incubating innovative businesses; and becoming a thriving center for our region's intellectual capital and an engine for economic development.
- Research and coalition-building efforts to support the Institute are underway.
 Key economic growth sectors are being identified; sustainable technologies are being researched; and successful models of innovative sustainability institutes are being documented. Organizers have consulted with potential collaborators, advisors, and clients in the private and public sectors.

Take action on global warming.

Plans and policies are taking effect, but a state policy framework is needed to drive implementation.

- West Coast governors jointly agreed to address global warming.
 - In September 2003, Washington, Oregon, and California committed to a regional greenhouse gas reduction initiative. The three governors concluded that climate disruption will have serious adverse effects on the economy, health, and environment of their states and that they must decrease greenhouse gas emissions. Reduced dependence on fossil fuels will also yield economic benefits.
- New power plants in Washington will be required to offset their greenhouse gas emissions.

 In March 2004, Governor Locke signed a law requiring new fossil-fueled power plants in Washington to offset 20% of their carbon dioxide emissions. Energy producers may invest directly in mitigation projects or pay another party for mitigation at a price specified by the state Energy Facility Council.
- Diverse stakeholders are working together to develop climate protection strategies.

 The Puget Sound Clean Air Agency has convened stakeholders to guide climate protection strategies for Puget Sound and the state. The group is examining energy supply and demand, transportation, forestry, and solid waste to identify ways to reduce greenhouse gas emissions.

4

Sustain Washington's natural resources and ecosystems.

Some progress occurred, but much more work remains, particularly on forestry, agriculture, monitoring, and integrated resource management.

- Washington's new Biodiversity Council will focus on protecting our biological heritage.

 Governor Locke created the Biodiversity Council to develop the first comprehensive strategy to protect the state's biological resources. The Council's 23 members will represent a cross-section of the state, including agriculture, ranching, forestry, business, conservation organizations, and tribes.
- The Board of Natural Resources is still actively considering certification for state forests.

 Certification could occur under either or both the Sustainable Forestry Initiative (SFI) or the Forest Stewardship Council (FSC) third-party evaluation systems. Audits of state forests have been completed for both SFI and FSC, and a decision is expected in 2005 after more analysis of the advantages and disadvantages of each certification system.

5

Establish "green building" standards for public sector construction projects. *Individual projects are underway, but systemic strategies and policies are needed.*

- The state boasts one of the nation's largest and fastest-growing clusters of green buildings.

 Many buildings around the state are registered with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED™) program, while others use design elements like green roofs, passive solar construction, and recycled materials. From Vancouver to Issaquah and Gig Harbor to Spokane, green buildings are rising—and Seattle has more LEED buildings than all but one U.S. city.
- The private sector and homeowners are using green building techniques.

 The Master Builders Association is promoting Built Green™ homes, which feature energy efficiency, resource conservation, and environmental quality improvements over conventional construction. Homeowner interest in green remodeling is growing, and businesses and nonprofits are working to sell green home products and used building materials in Bellingham, Spokane, Seattle, and beyond.
- Legislation is still needed to institutionalize green building practices at the state level.

 Such a law could apply to state facilities over 5,000 square feet, setting a model for local governments and the private sector to follow suit.



chemicals.

Use purchasing power to build demand for sustainable products.

An executive order is in place, but state legislation is needed; more local governments could join the effort.

- The state is working to conserve resources, reduce waste, and decrease toxics use. The Governor signed executive orders to promote sustainability in state government through greener products, renewable energy, and waste reduction. In fall 2003, more than 40 agencies submitted sustainability plans. These efforts include strategies to reduce the use of equipment, supplies, and other products that contain persistent, toxic
- Local governments show growing interest in environmentally preferable purchasing. King County and Seattle already have model programs to reduce the adverse impacts of purchases—from cleaning products and paper, to computers, cars, and building materials—over their lifecycle. Other city and county governments around Washington are initiating or considering such programs.

Foster sustainable development through public investment.

Much more work is necessary.

 Action is needed to ensure that state investment and development do not subsidize sprawl. Legislation passed in 2002 takes the first steps by requiring growth management information as part of capital facility budgeting. This law requires data on whether the proposed project is located within urban growth areas and whether it creates pressure for additional development outside growth boundaries. While the law's goals to promote investments that minimize unplanned infrastructure costs and support quality of life for communities are sound, much more work is needed to help Washington reap the benefits of compact and efficient development.

Create incentives for sustainable development through tax shifting. Empower local governments to pursue sustainable development.

Tax-shifting ideas that support sustainability are gaining attention, but major changes have yet to occur. (Note that we combined our discussion of these two recommendations since both relate to tax shifts.)

- The need to manage electronic waste offers an opportunity to restructure fees and incentives. In 2004, the legislature unanimously passed e-waste legislation creating a study of financing options, including fees on new technology purchases, for managing electronic waste in Washington. Ultimately, a front-end fee could shift the burden for safe disposal of electronics from the public sector to those responsible for its generation, creating incentives to reduce the hazards of these materials.
- User fees, such as for transportation services, can shift incentives and raise funds. For example, the Puget Sound Regional Council is conducting a pilot project using variable prices to reduce congestion and more effectively allocate road capacity in the region. In 2004, the state increased the share of certain gas tax funds dedicated to non-motorized recreation, to reflect that more trips to trailheads on public lands are for hiking and biking than for off-road vehicle use.

Build awareness—engage and inform stakeholders about sustainability.

Progress has been made, but raising awareness remains a critical task requiring ongoing commitment.

- The Panel held public forums on its findings in Bellingham, Olympia, Seattle, and Spokane. Hundreds attended the forums around the state, and participants inspired the Panel with their commitment, enthusiasm, and the many local sustainability initiatives underway in each community.
- The Panel distributed more than 4,000 copies of its report to citizens and leaders.

 Panel members presented the group's vision and priorities to business and community organizations as well as elected officials across the state.
- Washington and Oregon's governors cosigned a sustainability letter to 650 business leaders.

 Signed by the sustainability panels and accompanying a Sustainable Industries Journal publication, the letter pledged to support sustainable industries and practices in the business community.
- The Panel is building relationships to promote sustainability throughout the Northwest.

 The Sustainable Washington Advisory Panel held a joint meeting with the Oregon Sustainability Board to explore mutual opportunities to promote sustainability in the region. It has also supported numerous other organizations in developing their own sustainability initiatives and proposals.



The Panel's public forum in Bellingham



Climate friendly farming educational tour

11

Define, document, and communicate progress toward the sustainability vision. Some progress made, but continuing efforts are needed.

- The Panel shared its sustainability vision with community members around Washington.

 The group disseminated its action plan broadly, provided information on its website, and hosted public forums on sustainability with hundreds of participants around the state.
- Measures of sustainability are used in Washington, but statewide indicators are needed.
 Governor Locke worked to fund a statewide indicators project in 2004. This effort was ultimately unsuccessful, but it opened the door to future consideration of sustainability indicators in the state legislature. Washington nonprofits, such as Northwest Environment Watch and Sustainable Seattle, have developed indicators to measure progress toward sustainability both locally and regionally.

More Signs of Progress around Washington

Long before the Governor's Panel began its work in September 2002, people and organizations throughout the Washington State were taking significant steps to promote vibrant communities, strong economies, healthy ecosystems, and a sustainable way of life. A great deal of work continues to be initiated and conducted outside of the Panel's purview. This section highlights some of those efforts. We offer merely a sampling; an exhaustive inventory of sustainability initiatives would require much more research—and reporting space—than we can provide here. Rather, our goal is to show a few illustrative examples of the myriad efforts underway in virtually all corners of the state.

Business & Labor

- In 2004, companies in the Greater Seattle Chamber of Commerce joined to form a **Business Sustainability**Committee. One of the group's early efforts involved cosponsoring a Mayor's Forum on Sustainability with the City of Seattle, including presentation of the annual **Businesses for an Environmentally Sustainable Tomorrow (BEST)**Awards. In September 2004, a conference on "**Profitable Sustainability: the Future of Business**" brought hundreds of companies and individuals to the state to explore ways for incorporating sustainability principles into their bottom lines. Business success stories also include many examples of company efforts to conserve resources, support local economies, and decrease the social and environmental consequences of purchasing supplies.
- In May 2004, the **Bainbridge Graduate Institute** granted MBAs in Sustainable Business to its first graduating class. The business school's pioneering curriculum merges sustainability, social responsibility, and corporate ethics with the core elements of a traditional MBA program. Now in its third year, BGI continues to expand its enrollment.
- The **Washington State Labor Council**, AFL-CIO, endorsed the **Apollo Project**, a national effort to invest \$300 billion over the next decade in renewable energy, energy efficiency, public transportation, and family-wage manufacturing jobs leading the U.S. toward energy independence. The council agreed to assist its affiliate unions in forging joint projects and partnerships with the state, other public agencies, and private employers to promote renewable energy and energy efficiency.
- In September 2004, the **Puget Sound Electrical Joint Apprenticeship and Training Committee** completed a solar electric power system at its Renton center and committed to increasing generating capacity each year as part of its training. This collaboration among labor, business, and Puget Sound Energy will train more electricians to design and install solar power systems, fostering expansion of solar technology and distributed power generation in the Northwest.

Government, Education & Nonprofits

• Government entities at the federal, state, and local levels are adopting sustainability initiatives, and the state's military installations are no exception. Fort Lewis has taken the lead in developing a sustainability plan to improve public health and soldier wellbeing, enhance environmental quality, and reduce costs for the army base. Other army, navy, and air force bases in the state and elsewhere are looking to the Fort Lewis model as they consider the needs of their own installations. The City of Issaquah's Sustainable Community Action Plan and Snohomish County's Sustainable Development Task Force offer more examples of government sustainability efforts, as do many green building projects underway around the state.

"State government should model sustainable business practices that contribute to the long-term protection and enhancement of our environment, our economy, and the health of current and future generations."

-Executive Order 02-03

- Sustainable Seattle reached over 1000 students in grades 4-12 with sustainability workshops around the greater Puget Sound region since 2002. Their program also awarded mini-grants to students for sustainability projects ranging from a native plant restoration in a wetland, to a fair trade coffee stand, to a covered bicycle rack to encourage cycling to an inner-city public high school.
- Nonprofits, educational institutions, and foundations are promoting sustainable agriculture. The Center for Sustaining Agriculture and Natural Resources of Washington State University recently secured a \$3.8 million grant from the Allen Foundation to reduce



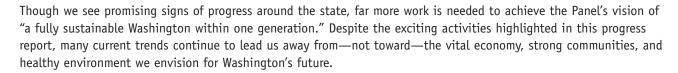
greenhouse gas emissions from farms. Farming and the Environment, a nonprofit, is working to foster healthy rural economies, communities, and ecosystems through improved farming and ranching practices in Washington.

- A diverse coalition is working to create the Puget Sound Sustainable Development Center. Businesses,
 government agencies, and nonprofit organizations recently completed a business plan to provide developers with
 "one-stop shopping" for information and assistance on sustainable design and construction of buildings and
 infrastructure.
- Some nonprofits are assuming the broad challenge of promoting sustainability, often through diverse, new coalitions. For example, the **Spokane Alliance** is a group of religious organizations, educational institutions, labor unions, and others "working for the common good in Spokane County"—such as convincing Spokane Public Schools to adopt green building practices. Bellingham's **Sustainable Connections** "works to empower local business and consumer behavior that promotes a vibrant community and a healthy environment." In Seattle, nonprofits focused on affordable housing, living-wage jobs, transportation choices, and environmental protection formed the **Coalition for Healthy Communities** to promote sustainable redevelopment of the South Lake Union neighborhood.

Media

- The mainstream media here in Washington State and across the country is increasing its attention to sustainability and related issues. For example, KING-5 TV recently initiated its "Northwest Living Green" media project, combining a web site, public service announcements, and special programs to reach a broad audience and promote green building, environmentally responsible purchasing, and other sustainable lifestyle choices. In August 2004, three major national magazines, including two business publications, featured climate change as the cover story. In addition, Public Broadcasting System (PBS) launched "Edens Lost & Found: Restoring and Sustaining Our Urban Ecosystems," which will produce a documentary and other materials to highlight successful efforts to protect and restore urban environments in four U.S. cities—Seattle, Chicago, Philadelphia, and Los Angeles—and to inspire community action.
- The **Sustainable Industries Journal** published its inaugural issue at the same time that the Governor's Panel released its action plan, in February 2003. Since then, the journal's audience has grown rapidly to its current readership of about 9,000 people, and its advertising revenue has doubled since its first year. The journal represents the nation's first publication of its kind, providing regular news on sustainable businesses in the Northwest. Its editors note that so much is happening in this sustainability arena that they always have more news than they can fit in their monthly publication.

Building Momentum: Next Steps for Sustainability



So, what's next? Where do we go from here? The Governor's Panel met for two years to share information and ideas and to develop and promote implementation of a statewide action plan for sustainability. We also held public forums around the state, meeting with dozens of people and organizations working toward sustainability, from Bellingham to Spokane. Based on our own research, as well as our discussions with community members and business people, we believe that the strategies of sustainability outlined in our first report are essential to address critical challenges facing the state and create long-term prosperity. We offer the following 10 suggestions for next steps.

- **1.** Pass legislation to establish and fund a standing advisory group on sustainable development. This group would help ensure a high quality of life in Washington State now and in our future by shaping policy development, coordinating state efforts with other jurisdictions and institutions, and serving as a resource for economic development efforts. Such a group needs a strong and diverse membership, a clear mandate, sufficient and stable administrative and funding support, and equal standing to other advisory boards and commissions.
- 2. Build a stronger framework to reduce greenhouse gas emissions and promote clean energy. Complete the implementation of a clean energy strategy and regional plans to address climate change. Adopt measurable targets for clean energy development and responsible limits on global warming pollution from power plants and new vehicles (Recommendations #1 and #3*).
- **3.** Forge strong links between statewide economic development and sustainable development. Economic development and infrastructure investments should align with sustainability priorities and needs (Recommendation #7).
- 4. Create incentives for and institutionalize sustainable practices by state government agencies. Continue and expand green building of state facilities, conservation of resources, and environmentally and socially responsible purchasing by state agencies (Recommendations #5 and #6).
- **5.** Add a sustainability focus to the state's investment practices.

To boost sustainability and long-term value, the Washington State Investment Board should explore ways to support energy audits of real estate portfolios, invest in environmentally and socially responsible companies, increase investments in environmental science and technology, and improve corporate accountability and disclosure.

6. Improve efforts to inform and engage Washington residents.

Consider partnerships with local media outlets, such as KING-5 TV's new "Northwest I

Consider partnerships with local media outlets, such as KING-5 TV's new "Northwest Living Green" campaign, to build awareness of sustainability issues (Recommendation #10).

7. Support and enhance initiatives to define and document progress.

Partnering with Northwest Environment Watch's "Cascadia Scorecard" effort or with another group could help the state track progress toward its sustainability vision (Recommendation #11).

^{*}These recommendation numbers refer to the 11 Priority Action Recommendations presented in the Panel's February 2003 report, A New Path Forward: Action Plan for a Sustainable Washington, and listed in this progress report on pages 2-5. The next steps presented here continue work on the particular recommendations noted above or represent new focus areas if no recommendations are referenced.

8. Work to develop an Institute for Innovation and Sustainable Development.

Washington would reap sizable economic and environmental benefits from the creation of such a statewide institute. At a minimum, a virtual network of leading sustainability-related research organizations, think tanks, and academic institutions should be built in 2005 to provide a hub and a clearinghouse for research and innovation on sustainable products, technologies, and approaches (Recommendation #2).

9. Initiate efforts to revise taxes, fees, and policies to foster desired outcomes.

Consider shifting taxes and fees to create incentives for sustainable choices (Recommendation #8). Revise any legal barriers at the state level to encourage and empower local governments to enact policies that promote sustainable behavior (Recommendation #9).

10. Further define and implement strategies for sustainable natural resource management.

Develop plans for incorporating sustainability principles into the management of watersheds, fisheries, and forest resources. Also, create a statewide strategy and best practices for sustainable agriculture (Recommendation #4).

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Visit the Panel's website for copies of the *Action Plan* and more:

www.ofm.wa.gov/sustainability/panel.htm

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